

<b>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY</b>	
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In re:

LTL MANAGEMENT, LLC,<sup>1</sup>

Debtor.

Chapter 11

Case No.: 23-12825 (MBK)

Honorable Michael B. Kaplan

**FINAL FEE APPLICATION FOR ALLOWANCE OF FEES AND REIMBURSEMENT  
OF EXPENSES TO HOULIHAN LOKEY CAPITAL, INC. AS INVESTMENT BANKER  
TO THE OFFICIAL COMMITTEE OF TALC CLAIMANTS  
FOR THE PERIOD FROM APRIL 14, 2023 THROUGH AUGUST 11, 2023**

TO: THE HONORABLE MICHAEL B. KAPLAN  
UNITED STATES BANKRUPTCY JUDGE

Houlihan Lokey Capital, Inc. ("Houlihan Lokey"), as investment banker to the Official Committee of Talc Claimants (the "Committee") in the above-captioned matter, submits this application (the "Application") pursuant to 11 U.S.C. §§ 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedure, and Local Bankruptcy Rule 2016-3, as its final fee application for compensation for services rendered and reimbursement of expenses for the period of April 14, 2023 through August 11, 2023 (the "Compensation Period"). By this Application, pursuant to the Final Retention Order (as defined herein), Houlihan Lokey seeks allowance and payment of compensation in the amount of \$3,363,709.68 for services rendered by Houlihan Lokey during the Compensation Period and allowance and reimbursement of its actual and necessary expenses in the amount of \$2,786.36 for the Compensation Period. In support of the Application, Houlihan Lokey respectfully represents as follows:

**BACKGROUND**

1. On April 4, 2023 (the "Petition Date"), the Debtor filed a voluntary petition for

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<sup>1</sup> The last four digits of the Debtor's taxpayer identification number are 6622. The Debtor's address is 501 George Street, New Brunswick, New Jersey 08933.

relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), commencing the above-captioned chapter 11 case (the "Chapter 11 Case") in the United States Bankruptcy Court for the District of New Jersey.

2. On May 22, 2023, the Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Retained Professionals* (the "Interim Compensation Order") [Doc. No. 562]. Pursuant to the Interim Compensation Order, professionals, as directed therein, may file with the Court and serve monthly fee statements no later than 30 days after the end of the month for which the fees are sought. If there are no objections to a monthly fee statement, then the professionals are entitled to payment in the amount of eighty percent (80%) of the fees and one hundred percent (100%) of the expenses requested in the monthly fee statement.

3. The Interim Compensation Order further provides that professionals may file interim fee applications for allowance of compensation and reimbursement of expenses of the amount sought in the monthly fee statements, including the twenty percent (20%) holdback, pursuant to section 330 and 331 of the Bankruptcy Code.

4. On May 17, 2023, Houlihan Lokey filed its application to be retained (the "Retention Application"), effective as of April 14, 2023 (the "Effective Date") [Doc. No. 538].

5. On June 9, 2023, Houlihan Lokey filed an *Amended Declaration of Saul E. Burian in Support of Application of Houlihan Lokey Capital, Inc. as Investment Banker to the Official Committee of Talc Claimants* (the "Amended Declaration"), effective as of April 14, 2023 [Doc. No. 742].

6. On June 26, 2023, this Court entered an *Order Granting Application to Employ Houlihan Lokey Capital, Inc. as Investment Banker to the Official Committee of Talc Claimants* (the "Retention Order") [Doc. No. 899]. This order is attached as Exhibit A.

7. On August 11, 2023 this Court filed the *Order (I) Dismissing Debtor's Chapter 11 Petition Pursuant to 11 U.S.C. §1112(b); (II) Establishing Procedures with respect to Requests For Compensation; and (III) Granting Related Relief* (The "Dismissal Order") [Doc. No. 1211]. Included in the Dismissal Order were detailed guidelines in connection with the final fee applications for all professionals in the case.

8. The Office of the United States Trustee has established certain *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under The United States Code by Attorneys in Larger Chapter 11 Cases* (the "UST Guidelines"). The Office of the United States Trustee has promulgated forms to aid in compliance with the Revised UST Guidelines. Charts and tables based on such forms are attached hereto as exhibits and filled out with data to the extent relevant to this Chapter 11 Case:

**Exhibit B:** Summary of Timekeepers Included In This Fee Application; and  
Summary of Services Performed By Project Category;

**Exhibit C:** Summary of Expense Reimbursement Requested By Category; and  
Detailed Expense Reimbursement.

**HOULIHAN LOKEY'S APPLICATION FOR COMPENSATION  
AND REIMBURSEMENT OF EXPENSES**

**A. The Final Fee Applications**

9. This is Houlihan Lokey's final fee application for compensation filed in this matter.

**B. Monthly Fee Statements During the Compensation Period**

10. In accordance with the procedures prescribed in the Interim Compensation Order, Houlihan Lokey has filed and served monthly fee statements (the "Monthly Fee Statements") for the Compensation Period.

11. On July 18, 2023, Houlihan Lokey filed and served its first monthly fee statement

requesting payment of fees in the amount of \$400,000.00 and reimbursement of expenses in the amount of \$0.00 incurred for the period of April 14, 2023 through April 30, 2023 [Doc. No. 1054]. No objections were filed to the first monthly fee statement and the corresponding Certificate of No Objection [Doc. No. 1142] was filed on August 2, 2023.

12. On July 18, 2023, Houlihan Lokey filed and served its second monthly fee statement requesting payment of fees in the amount of \$400,000.00 and reimbursement of expenses in the amount of \$0.00 for the period of May 1, 2023 through May 30, 2023 [Doc. No. 1055]. No objections were filed to the second monthly fee statement and the corresponding Certificate of No Objection [Doc. No. 1143] was filed on August 2, 2023.

13. On July 18, 2023, Houlihan Lokey filed and served its third monthly fee statement requesting payment of fees in the amount of \$400,000.00 and reimbursement of expenses in the amount of \$0.00 for the period of June 1, 2023 through June 30, 2023 [Doc. No. 1056]. No objections were filed to the third monthly fee statement and the corresponding Certificate of No Objection [Doc. No. 1144] was filed on August 2, 2023.

14. Houlihan Lokey includes in this final fee application requests for monthly fees in the amount of: (i) \$163,709.68<sup>2</sup> and reimbursement of expenses in the amount of \$2,786.36 for the period of July 1, 2023 through August 11, 2023.

15. Pursuant to section 3(iii) of Houlihan Lokey's Engagement Agreement, the Committee, in exercising its business judgement, approved a net Discretionary Fee of \$2,000,000 to reflect the extraordinary services provided to the Committee by Houlihan Lokey. Houlihan Lokey negotiated for a Discretionary Fee in its Engagement Agreement to account for the uncertainty of outcome of this case and the potential for extraordinary time commitment of

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<sup>2</sup> Pro-rated amount of Houlihan Lokey's \$175,000 monthly fee beginning on July 14, 2023 through August 11, 2023. Houlihan Lokey's Monthly Fee becomes payable on the 14th of each month in accordance with Houlihan Lokey's retention order [Doc. No. 899].

Houlihan Lokey professionals (to the preclusion of other remunerative engagements) and respectfully requests this Court's approval of the Discretionary Fee through this Application.

16. The Committee took note that in order to proceed quickly and not cause disruption to the Committee's operations, Houlihan Lokey agreed to monthly fee concessions in the aggregate of greater than \$850,000.00 in the LTL I and LTL II cases. The Committee also took note of the extraordinary efforts, particularly by senior Houlihan Lokey officers during both cases. Houlihan Lokey's efforts included: providing litigation support (including the review of thousands of pages of discovery and deposition preparation and review), producing expert reports, and providing expert testimony, all under extremely compressed time frames. Houlihan Lokey was also active in mediation efforts and the financial structuring of numerous (albeit unsuccessful) settlement efforts.

17. In accordance with the Dismissal Order, Houlihan Lokey seeks final approval and payment of all fees and expenses sought in: (i) the Monthly Fee Statements previously filed for the Compensation Period; (ii) monthly fees and the reimbursement of expenses for the period from July 1, 2023 to August 11, 2023; and (iii) the net Discretionary Fee as agreed to by the Committee. Fee and expense detail for the period from July 1, 2023 to August 11, 2023 are included in this application. For the avoidance of doubt, approval is sought for \$3,363,709.68 in fees and \$2,786.36 in expenses for the Compensation Period.

18. As of the date hereof, Houlihan Lokey has received payment for fees in the Compensation Period in the amounts of \$960,000.00 and expenses in the amount of \$0.00.

#### **JURISDICTION, VENUE, AND STATUTORY BASIS**

19. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding pursuant to 28 U.S.C. § 157(b).

Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 328, 330, and 331 of the Bankruptcy Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rules 2016-1 and 2016-3.

**SUMMARY OF SERVICES RENDERED AND  
EXPENSES INCURRED DURING THE COMPENSATION PERIOD**

20. During the Compensation Period, Houlihan Lokey worked diligently on the matters for which it was engaged and, as a result, is uniquely situated to advise the Committee. The Committee chose Houlihan Lokey to act as its investment banker because, inter alia, Houlihan Lokey has substantial experience in providing investment banking, litigation support and financial advisory Expert Testimony services.

21. As set forth in the Application cover sheet submitted herewith, Houlihan Lokey rendered a total of 2,486.0 hours of professional services during the Compensation Period, for which it seeks compensation of \$3,363,709.68<sup>3</sup>, and incurred \$2,786.36 in out-of-pocket expenses which were "actual, necessary expenses" in connection with rendering the professional services described herein.

22. To apprise this Court of the services rendered during the Compensation Period Houlihan Lokey sets forth the following summary. The summary is intended only to highlight the services rendered by Houlihan Lokey. Detailed descriptions of the services rendered, and expenses incurred, during the Compensation Period were included in the Monthly Fee Statements and are incorporated herein by reference as if fully set forth in their entirety. As investment banker to the Committee, the services Houlihan Lokey provided to the Committee

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<sup>3</sup> Pursuant to section 3(i) of Houlihan Lokey's Engagement Agreement, Houlihan Lokey's Monthly Fee is paid in advance each month, beginning on April 14th. The Monthly Fees requested in the Compensation Period under this Application cover the period from April 14th, 2023 through August 11th, 2023.

consisted of various workstreams including, but not limited to the following:

**(A) Case Administration/Disbursements**

- (i) Preparation of materials to communicate the nature of services as requested by Committee Members
- (ii) Preparation of internal memos and task outlines
- (iii) Other general case administration including tasks such as downloading docket information and preparing conflicts checks

**(B) Relief from Stay/Adequate Protection Proceedings**

- (i) Reviewing and providing input on various filings, draft filings, draft motions, briefs and draft briefs related to the stay order

**(C) Meetings of and Communications with Committee/Creditors**

- (i) Participation in both regularly scheduled and ad hoc calls with Committee Members and/or their representatives regarding all case related matters, providing regular updates and soliciting input and feedback
- (ii) The presentation of various financial analyses prepared by Houlihan Lokey in connection with the Debtor and Non-Debtor affiliates to Committee Members and/or their representatives

**(D) Meetings of and Communications with Counsel**

- (i) Participation in both regularly scheduled and ad hoc calls with Counsel and other Committee advisors regarding all case related matters
- (ii) Coordination with Counsel and other Committee advisors regarding various workstreams and the scope of work in an effort to minimize duplication



- (iii) Preparation for, and the provision of aid to Counsel to prepare for,  
court hearings and depositions
- (iv) Discussions with Counsel and other Committee advisors regarding  
research and analysis of precedent cases
- (v) Virtual and in-person meetings with Counsel to discuss litigation  
strategy
- (vi) Virtual and in-person meetings to prepare for depositions and the  
Motion to Dismiss hearings

**(E) Other**

- (i) Internal discussions regarding the case and workstreams

**(F) Fee/Employment Applications**

- (i) Prepared and reviewed retention applications
- (ii) Prepared and reviewed Monthly Fee Statements
- (iii) Tracked and recorded hours pursuant to Houlihan Lokey's retention  
order
- (iv) Prepared and reviewed Final Fee Application

**(G) Fee/Employment Objections**

- (i) Revision of retention application in response to Debtor objection

**(H) Contested Matters/Litigations (General)**

- (i) Attendance of depositions and review of deposition transcripts
- (ii) Reviewing and providing input on various filings, draft filings, and  
draft motions, including briefs and draft briefs related to the motion to  
shorten time, the motion to terminate Debtor's exclusive period,

various motions to compel, the motion to disqualify Randi Ellis as  
future claims representative ("FCR"), and other contested matters

**(I) Non-Working Travel**

- (i) Travel to New Jersey to attend the Motion to Dismiss hearings

**(J) Plan and Disclosure Statement**

- (i) Reviewing and analyzing the Debtor's term sheet for its Plan of Reorganization and amendments thereto
- (ii) Reviewing and analyzing the Debtor's proposed disclosure statement and amendments thereto
- (iii) Reviewing Debtor's solicitation procedure motion
- (iv) Reviewing and providing input on various filings, draft filings, draft motions, briefs and draft briefs related to the Debtor's Plan of Reorganization
- (v) Performing due diligence and research on precedent trust distribution procedures

**(K) Mediation/Settlement**

- (i) Review of mediation order and amendment thereto

**(L) Court Attendance**

- (i) Attendance of and participation in hearings, both virtually and in-person

**(M) Injunction Litigation in Adversary and Related Appeals**

- (i) Reviewing and providing input on various filings, draft filings, draft motions, briefs and draft briefs related to the Debtor's preliminary injunction

**(N) Dismissal/Trustee/Examiner Matters**

- (i) Assisting Counsel and the Committee in the Committee's Motion to Dismiss, including, but not limited to:
  - a) Preparing an expert report (the "Burian Expert Report") in support of the Committee's Motion to Dismiss
  - b) Preparing a rebuttal report (the "Burian Rebuttal Report") in support of the Committee's Motion to Dismiss in response to expert reports prepared in support of the Debtor's objection, including analyzing and discussing a potential surrebuttal report
  - c) Preparing for and providing deposition testimony regarding the Burian Expert Report and Burian Rebuttal Report
  - d) Reviewing and analyzing expert reports and rebuttal reports from other experts in the case
  - e) Providing live testimony at the Motion to Dismiss trial
  - f) Assisting Counsel and the Committee with a number of other matters including trial preparation and deposition of other witnesses
- (ii) Reviewing and providing input on various filings, draft filings, draft motions, briefs and draft briefs related to the Debtor's Motion to Dismiss
- (iii) Performing significant due diligence and research in connection with the Motion to Dismiss trial

**(O) Financial Due Diligence**

- (i) Reviewing and analyzing information obtained publicly and through discovery regarding the Debtor and its Non-Debtor affiliates
- (ii) Reviewing and analyzing information publicly and through discovery regarding J&J's consumer health spin off
- (iii) Reviewing the Debtor's monthly operating reports
- (iv) Preparing financial analyses relating to the case, the Debtor and its Non-Debtor affiliates

**(P) Document Review**

- (i) Reviewing and providing input on various filings, draft filings, draft motions, briefs and draft briefs

23. In addition to the foregoing, Houlihan Lokey incurred out-of-pocket expenses during the Compensation Period in the amount of \$2,786.36 which were "actual, necessary expenses" in connection with rendering the professional services described above pursuant to section 330(a)(1)(B) of the Bankruptcy Code.

**CERTIFICATION OF SAUL BURIAN**

24. A Certification of Saul Burian is attached hereto as **Exhibit D**

**COMPLIANCE WITH GUIDELINES**

25. Houlihan Lokey believes that this Application substantially complies with the local rules of this Court and the United States Trustee's guidelines for fee applications. To the extent there has not been material compliance with any particular rule or guideline, Houlihan Lokey respectfully requests a waiver or an opportunity to cure.

26. The fees charged by Houlihan Lokey in this case are billed in accordance with its

fees and procedures in effect during the Compensation Period. The amount of compensation requested is fair and reasonable given the complexity of this case, time expensed, nature and extent of services rendered, the value of such services, and the costs of comparable services other than in a case under the Bankruptcy Code.

27. The purposes for which Houlihan Lokey was retained, as reflected in Houlihan Lokey's Retention Application and the Final Retention Order, have been fulfilled during the Compensation Period.

28. The Official Committee of Talc Claimants has been provided with a copy of this Application. As of the date hereof, the Official Committee of Talc Claimants has reviewed and approved the Application.

### **CONCLUSION**

**WHEREFORE**, for all of the foregoing reasons, pursuant to sections 328, 330, and 331 of the Bankruptcy Code, Houlihan Lokey respectfully requests (i) allowance of compensation for professional services rendered as investment banker to the Committee during the Compensation Period in the amount of \$3,363,709.68 (ii) reimbursement of actual and necessary expenses incurred by Houlihan Lokey during the Compensation Period in the amount of \$2,786.36; and (iii) such other and further relief as this Court deems just and proper.

Dated: September 8, 2023

**HOULIHAN LOKEY CAPITAL, INC.**  
*Investment Banker to the Official Committee of  
Talc Claimants*

By:



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Saul E. Burian